

and Victim Restitution Act of 1996, with 15 of my colleagues. This measure builds on our efforts to reform the Federal prison system and reduce recidivism among released inmates while promoting justice for victims and society. My bill is a tough measure, but its intent goes far beyond simply punishing inmates.

One of the major barriers to the successful rehabilitation of Federal prison inmates has been the weak work requirements contained in the Omnibus Crime Control Act of 1990. The 1990 Crime Control Act does not require a minimum work requirement for inmates. Although it costs over \$21,000 annually to care for each prisoner in the Federal prison system, a statutory minimum workweek for prisoners does not exist. Instead, the United States Code touches on the subject with vague language which simply states that it is the policy of the Federal Government that prisoners should work.

The reality is that the average workday for a prisoner in the United States is only 6.8 hours long. While some States have longer workdays, the average prisoner is working fewer hours than the taxpayer who supports him.

Mandatory work for prisoners should serve the dual purpose of compensating taxpayers and victims while instilling values and responsibility in those who have failed to live within an orderly society. The Prison Work and Victim Restitution Act of 1996 would correct some of the basic failings of our criminal justice system by requiring Federal prisoners to work at least 50 hours per week. The earnings of prisoners will be distributed as follows: one-third to compensate the Bureau of Prisons for the cost of incarceration, one-third to a victim restitution fund, one-tenth to be placed in a savings account for an individual prisoner, and the remainder, 23 percent, will go to States which enact the same work requirements for their own prison systems.

My legislation clarifies that OSHA and the Fair Labor Standards Act—including minimum wage—do not apply to inmates. It also prohibits prisoners from engaging in nonrehabilitative behavior such as smoking, possessing pornography, and listening to vulgar music. Drug testing is mandatory.

This bill addressed the problem of ensuring there is an adequate supply of paying work for prisoners. My legislation permits UNICOR, the prison industries system, to expand and allows nonprofit agencies—many of which receive Federal grants to combat crime and poverty in our communities—to use prison labor.

Justice Fellowship, a national organization committed to restoring justice to victims and society and promoting work for prisoners, has endorsed the Prison Work and Victim Restitution Act.

I urge my colleagues to join me in supporting this important bill.

#### THE FULBRIGHT PROGRAM—THE VALUE OF EDUCATIONAL AND CULTURAL EXCHANGE PRO- GRAMS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 10, 1996

Mr. LANTOS. Mr. Speaker, one of the profound successes of our Nation's foreign policy

and one of the critical programs that has provided critical support for democracy and respect for human rights has been our Nation's farsighted educational and cultural exchange programs, which are administered through the U.S. Information Agency.

Just a few days ago, Mr. Speaker, the Subcommittee on International Operations and Human Rights of the Committee on International Relations held an excellent oversight hearing on these vital programs. My colleagues on that committee from both sides of the political spectrum expressed strong bipartisan support for these essential educational and cultural exchange programs.

Mr. Speaker, the Ambassador of the Czech Republic, His Excellency Michael Zantovsky, recently sent an excellent letter to Dr. Joseph Duffey, the outstanding Director of the U.S. Information Agency, expressing his and his country's enthusiastic support for the Fulbright Program. His letter is typical of the ardent support that has been expressed by many foreign leaders for the Fulbright Program and for other educational and cultural exchange programs administered by the USIA.

Mr. Speaker, I ask that Ambassador Zantovsky's letter be placed in the RECORD and I urge my colleagues here in the Congress to give that letter thoughtful and serious consideration. The small amount of money that we spend on the Fulbright Program and on the other cultural and educational exchange programs under USIA is among the most important and worthwhile investments in our Nation's future. I urge my colleagues to join me in enthusiastic support for these programs.

THE CZECH AMBASSADOR,  
Washington, DC, June 25, 1996.

DR. JOSEPH DUFFEY,  
Director, U.S. Information Agency,  
Washington, DC.

DEAR MR. DUFFEY: It is my particular pleasure to inform you about the significance the Czech Republic attributes to the renowned Fulbright Program.

Even before 1989, thanks to this Program, the then Czechoslovak scholars, experts, and students had a unique opportunity during their stay in your country to be exposed to a free democratic society, to the most recent advances in science, and to the creative environment of U.S. universities. After having come back home, they brought fresh, unworn ideas and approaches that transformed society and re-established democracy in our country.

The Velvet Revolution brought enhancement to the Fulbright Program. Each year about twenty to thirty Fulbrighters come to the Czech Republic, and a similar number visit the United States. Many American professors coming to our country develop the fields of American Studies, American Literature, Economics, Political Science—i.e. areas that were rather weak or even missing under the previous regime. Their contribution to reforming university curricula is of critical importance. The American students within the Fulbright Program are extremely interested in our arts, history, and political economy in relation to privatization. On the other hand, Czech Fulbrighters in the U.S. are active in teaching the Czech language, literature, and film for many Slavic departments within your universities. At your prominent research institutions, many technically oriented Czech Fulbrighters benefit from developing their research projects and studies in physical, biological, and engineering sciences.

Needless to say, the exchange of students and researchers is mutually beneficial. One's

own professional and personal enrichment is surpassed by the enrichment of the society as a whole. Through an individual's encounter with a different culture, one gains an experiential knowledge of cultural conditions that impact very basic policies and questions—e.g., how to establish future entrepreneurial activities and in what markets. In addition, Fulbrighters become consumers from within that society, gaining a practical level of intellect, the insight that cannot be replicated from reading a textbook or seeing a movie. And, most importantly, there is the multiplier effect because of their enthusiasm to share it with their colleagues and friends.

The Czech Government, being aware of all the merits of the Fulbright Program and its outstanding significance among any other international programs, has decided to increase its funding up to 40% of the U.S. contribution. It is our strong belief that the U.S. Congress, taking into account all the benefits of this wonderful and unique educational and research program, will continue to support it at the current level.

Sincerely,

MICHAEL ZANTOVSKY,  
Ambassador.

#### IMPLEMENTATION OF THE CUBAN LIBERTY AND DEMOCRATIC SOL- IDARITY ACT, PUBLIC LAW 104- 114

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 10, 1996

Mr. HAMILTON. Mr. Speaker, unless the President decides by July 16, 1996, to exercise his authority to suspend its implementation, title III of Public Law 104-114, the Cuban Liberty and Democratic Solidarity Act, will take effect on August 1. Title III of Public Law 104-114 grants U.S. citizens the right to sue foreign companies that may be using or otherwise benefiting from properties seized by the Castro government following the Cuban revolution in 1959. A key objective of this title is to encourage foreign firms to abandon existing investments in Cuba, and to discourage future investment.

I believe implementation of title III of Public Law 104-114 would be contrary to U.S. national interests in two ways. First, by escalating pressure on the Cuban economy, title III will increase, rather than decrease the chances for a peaceful transition to democracy in Cuba. Second, by penalizing foreign companies for commercial conduct toward a third country, title III will provoke trade conflict with many close friends of the United States, countries with which we cooperate on a range of issues. Several foreign governments have already warned that they may take retaliatory steps, and that could cost U.S. jobs.

I commend to the attention of Members two valuable statements on the implementation of Public Law 104-114. The first is a briefing paper written by Jorge I. Dominguez, coordinator of the Task Force on Cuba of the Inter-American Dialogue and Professor of Government at Harvard University. The second is a letter to the President from five major business groups: the U.S. Chamber of Commerce, the National Foreign Trade Council, the Organization for International Investment, the European-American Chamber of Commerce, and the U.S. Council for International Business.

Both statements make a persuasive case for a waiver of title III of Public Law 104-114, and the business letter demonstrates the broad support for a waiver in the U.S. business community.

The implementation of the Helms-Burton legislation raises two key questions for US policy. Does Helms-Burton serve U.S. interests? And will the legislation help promote democratic change in Cuba? The immediate policy issue that President Clinton faces with regard to the Helms-Burton legislation is whether to waive application of its Title III. This title, the most controversial in the legislation, would permit U.S. citizens and firms to sue in U.S. courts to obtain compensation from non-U.S. firms that, through investment or trade, "traffic" in the properties or enterprises seized decades ago by the Cuban government.

#### INTERNATIONAL TRADE

The major trading partners of the United States in Canada, Europe, Latin America, and East Asia have expressed concern and anger over the Helms-Burton legislation. They consider the law a violation of international trade agreements establishing the World Trade Organization and the North American Free Trade Area. Title III of the legislation is viewed by every major country as detrimental to its relations with the United States.

U.S. interests will suffer even if none of the governments retaliate against the United States for violations of international conventions. Other countries might more readily violate the international trade regime because of the U.S. violation. This U.S. policy is eroding that regime that the United States has worked so hard to construct. Moreover, the United States has long opposed "secondary boycotts", and U.S. legislation prohibits U.S. firms from participating in such boycotts. Yet the Helms-Burton legislation mandates a secondary boycott on other nations.

#### THE ECONOMIC EFFECTS IN CUBA

The long-standing U.S. embargo on the Cuban economy has had several economic effects. It has caused a rise in the costs to Cuba and the Cuban government of engaging in any international economic activities and it has raised the profits of those firms that are active in the Cuban market. Foreign investors are well aware of the political risks posed by investments or trade with Cuba, so they demand and receive from the Cuban government "sweeter deals" than those offered elsewhere in Latin America or the world. And because Cuba must offer more attractive concessions to international traders and investors, Cuba pays a higher cost to participate in international economic activity than it otherwise would. Moreover, firms that invest in Cuba face no competition from U.S. businesses.

The Helms-Burton legislation magnifies each of these effects, and adds one more. It sorts out firms that trade with Cuba by size. Large international firms—because they are likely to do business with the United States—will be discouraged from trading or investing in Cuba. But smaller firms that do not operate in the U.S. market are not exposed to Helms-Burton retaliation. These will find it extremely attractive to invest in Cuba. These economic effects, however, do not advance democratic change in Cuba.

#### SIGNIFICANCE FOR U.S. POLICY

From the perspective of U.S. policy, the achievements of Helms-Burton are: (1) increased economic costs have been imposed on Cuba, punishing its government for shooting down the two Cessna planes on February 24, and (2) the legislation communicates

clearly to all governments and firms the serious U.S. government disapproval of their economic relations with Cuba. Neither of these accomplishments, however, helps to foster democracy in Cuba.

#### DEMOCRACY IN CUBA

The political consequences within Cuba of Helms-Burton have been either irrelevant or counterproductive in terms of promoting liberty and democracy. For example:

The Cuban government has persevered in its policy of economic opening as though the legislation did not exist.

The legislation has provided the Castro government—appearing as the defender of the homeland under attack from a powerful neighbor—with an opportunity to rally nationalist support, even from many Cubans who otherwise oppose their government's policies.

The Helms-Burton legislation, in effect, told the Cuban government that it could repress as it pleased because there is no change left of improving its relations with the United States. The Cuban government has reversed none of the repressive acts that preceded the passage of Helms-Burton.

Within ten days of President Clinton signing the Helms-Burton Act, General Raul Castro launched attacks on various Cuban academic institutions and intellectuals, further chilling public expression and curtailing academic freedom.

There are some positive political developments in Cuba, but these are the result of the longer-term economic opening and the continuing engagement with Cuba of the governments of Canada, the European Union, and Latin America. They include, for example, the recent authorization of free trade zones, which may enable some firms to contract their own labor rather than relying on the Cuban government to supply it; the loss of full state control over the economy and the flourishing illegal markets; and the government's authorizing some self-employment and farmers' markets. Castro has, in short, felt compelled to allow an economic policy shift despite his distaste for capitalism. Citizens have begun to take control of their economic lives, and the private economy has begun to finance a re-birth of civil society. Former state farms, newly turned into co-operatives, have begun to display greater autonomy, some even dismissing long-time bosses. Some poor Cubans have gained political independence. These democratizing political effects from economic changes are not surprising. The surprise is that U.S. policy toward Cuba is at odds with a long-standing U.S. belief in open markets as a mechanism to open politics.

#### COSTS TO THE UNITED STATES

President Clinton needs to recognize the costs associated with the Helms-Burton Act. The legislation has already caused friction for the United States in its diplomatic and trade relations with its principal trading partners; these costs would rise if Title III of the act is fully implemented. Liberty and democracy in Cuba have not been advanced by this legislation, and, in some cases, the Castro government has been strengthened and political repression has become more intense. Were Title III to be enacted, U.S. courts would be flooded with lawsuits.

Waiving Title III would reduce these costs somewhat, and would also give the U.S. government leverage it would otherwise lack—leverage to continue to pressure Cuba in the near future. Uncertainty over the application of title III for another six months would serve as a deterrent to trade with and investment in Cuba. By waiving now the implementation of Title III, the United States would reserve full implementation for a later date, thereby retaining an instrument to

pressure the Cuban government on an ongoing basis, and a means to retaliate should the government break international law once again. A waiver would also be consistent with the design of the Helms-Burton Act, which contemplates a calibrated and protracted process of implementation capable of imposing costs on Cuba over a sustained period of time.

Signing the waiver would reduce the damage to general U.S. interests; may reduce the adverse effects that Helms-Burton has had on Cuba's prospects for political change; and will create leverage for future use consistent with the logic of coercion that underlies the legislation.

JULY 1, 1996.

The PRESIDENT,  
The White House,  
Washington, DC.

DEAR MR. PRESIDENT: As representatives of a broad cross-section of the U.S. business community, we urge you to suspend for six months the effective date of Title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act.

As you have frequently explained to the American people, the United States' ability to benefit from the global economy is dependent on strong, stable, and reliable rules. We believe that these benefits are jeopardized by the enormous friction that will result if Title III is allowed to take effect. Some of our closest allies and most important trading partners are contemplating or have legislated countermeasures. U.S. firms will bear the brunt of these countermeasures. We believe that suspending the effective date would permit you to accomplish the purposes of the law without needlessly jeopardizing U.S. interests.

Many of our member companies had property in Cuba that was expropriated by the Castro regime. Yet, many of these companies, constituting some of the largest certified claimants, do not believe that Title III brings them closer to a resolution of these claims. To the contrary, Title III complicates the prospect of recovery and threatens to deluge the federal judiciary with hundreds of thousands of lawsuits. These companies, Title III's intended beneficiaries, support our view that Title III should be suspended at this time.

We would also note that Section 207 of the law requires the Administration to prepare a report giving its estimate of the number and value of such claims. That report is not due until September. A six month suspension from August 1 would give the Administration time to fully assess the impact of Title III and consult further with our allies.

Finally, we believe that if Title III were to become effective, it would drive a wedge between the United States and our democratic allies that would significantly hinder any future multilateral efforts to encourage democracy in Cuba. For this, and the reasons stated above, we urge you to act in the interest of the United States by suspending the effective date of Title III of the LIBERTAD Act.

Sincerely,  
The National Foreign Trade Council.  
Organization for International Investment.  
U.S. Chamber of Commerce.  
European-American Chamber of Commerce.  
U.S. Council for International Business.

INTRODUCTION OF THE ISTE  
INTEGRITY RESTORATION ACT

HON. TOM DELAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 10, 1996

Mr. DELAY. Mr. Speaker, today I am introducing a bill that will dramatically improve the current system of allocating Federal highway funds. But first I would like to pay tribute to my colleague and fellow sponsor, GARY CONDIT, for his leadership on the Democrat side on this vital issue. I would also like to recognize the tremendous efforts made by my good friend and colleague, JOHN HOSTETTLER, who as cochair of the I-69 Mid-Continent Highway Caucus has demonstrated an unparalleled commitment to reforming the Highway Fund Program. We would not have built up the support that currently exists for this bill without his help.

Although I shared in the excitement of celebrating the 40-year anniversary of our Interstate System last month, it saddens me to think about how the formulas we use today to distribute Federal highway funds to the States have broken down alongside the road. As our Nation speeds into the 21st century, those formulas force State departments of transportation to steer the development of our Nation's transportation system with both hands firmly grasping the rear view mirror.

To try to remedy this situation, Mr. CONDIT and I, along with 37 of our colleagues on both sides of the aisle, are introducing The ISTE Integrity Restoration Act. It is our hope that this legislation will serve as a basis for discussion during the reauthorization process. Our bill accomplishes four primary objectives:

Funds the National Highway System as the key Federal responsibility;

Simplifies and makes more flexible the Federal Highway Program;

Updates the antiquated Federal funding distribution formulas; and

Equitably balances the amount of Federal gas tax dollars collected from each State with the amount of funding each State receives back from the Federal highway trust fund.

When enacted, our proposal will at least focus our Nation's surface transportation programs on the 21st century. State DOT's can finally let go to the rear view mirror and get their hands firmly on the steering wheel.

## FOCUSING FEDERAL RESPONSIBILITY

By maintaining a strong National Highway System program that includes the interstate, the ISTE Integrity Restoration Act recognizes that the purposes of the NHS—national defense, interstate and international commerce, and the safety and mobility of our people—are the basic responsibilities of the Federal Government and should shape the Federal role in transportation.

## SIMPLICITY AND FLEXIBILITY

As America enters the 21st century, and encounters the many challenges and opportunities that it will offer, our Nation needs a streamlined Federal surface transportation program that will position its citizens and economy to respond well to this dynamic new era.

The ISTE Integrity Restoration Act consolidates various existing Federal highway programs into two simple and focused programs:

The National Highway System Program [NHS] consolidates the Interstate Maintenance Program and the NHS portion of the Bridge Reconstruction and Rehabilitation Program.

The Streamlined Surface Transportation Program [SSTP] blends the Congestion Mitigation and Air Quality Improvement Program, enhancements, the non-NHS Bridge Program and others into the existing Surface Transportation Program to create a new, broader category.

Our bill continues the eligibility of all current ISTE activities, but gives State and local transportation officials the responsibility and authority to decide on what, when, where, and how much to spend to meet their diverse transportation needs. Too often State DOT's have a surplus in one category and inadequate funding in another because the Federal Government has decided it knows better than the State what its needs are.

The ISTE Integrity Restoration Act will ensure that States—working together with their local partners—can respond to their own needs with individual solutions, instead of being limited by the current array of one-size-fits-all Federal requirements.

## UPDATING FORMULAS

Since ISTE went into effect, with the exception of the Interstate Maintenance Program neither a State's population, the size of the system of highways and bridges, nor the number of people or tons of freight moving across a State's highway has made any difference in the share of Federal-aid highway funds it receives.

Instead, each State's share of these funds today is determined by the share of all highway funds that State received between 1987 and 1991. And the share of all highway funds a State received between 1987 and 1991 was determined in part by that State's population in 1980, nearly 20 years ago. Other factors in determining the 1987-to-1991 share include the size of the State's highway system during that period and the traffic that system carried.

Perhaps the most irrelevant factor is the number of rural postal delivery miles in the State—a measure the post office quit using more than 40 years ago. These formulas penalize States that are home to increasing numbers of Americans and dramatically increasing traffic.

The ISTE Integrity Restoration Act's system of apportionment is simple, free from the obsolete characteristics of the current Federal funding system, and is related to the real world. It is based on relevant factors such as the size of the public highway system in each State, the wear and tear on highways caused by the intensity with which a State's highway system is used, and the greater transportation needs of urban areas.

## FAIRNESS AND EQUITY

The ISTE Integrity Restoration Act also creates an objective, simple methods of distributing highway funds among the States that strikes a more equitable balance between the contributions each State's motorists and motor carriers pay in the Federal highway trust fund and the funds returned to the State from that fund. Our bill establishes the following two programs:

An Equity Program which ensures that all States receive at least a 95-percent return—including attributable interest and other assets—on the payments made to the Federal highway trust fund. Ideally, the NHS Program

and SSTP would provide more than a 95-percent return for all States. If not, the Equity Program would ensure this 95-percent return level.

An Access Program which ensures an adequate level of resources for highways in large land area, low-population density States, and in States with small land area and low-population density. This would help provide the road systems that are urgently needed for national mobility, economic connectivity, and national defense.

## CONCLUSION

The DeLay/Condit ISTE Integrity Restoration Act is not a radical departure from ISTE. It builds on traditional partnerships while modernizing Federal aid formulas that are inadequate to meet the mobility and economic development needs of the next century. This act strikes the appropriate balance between the national interests in highways, and the rights and responsibilities of each State. I hope this Congress will look favorably upon it in the months to come.

INTRODUCTION OF THE THRIFT  
CHARTER MERGER COMMISSION  
ACT OF 1996

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 10, 1996

Mr. ROTH. Speaker, I have introduced the bill, H.R. 3407, the Thrift Charter Merger Commission Act of 1996. This comprehensive bill would finally close the door on the costly savings-and-loan associations [S&Ls] cleanup. The bill would break a dangerous legislative deadlock over extremely complex banking and thrift issues and merge their charters.

The bill's purpose is to establish a bipartisan commission to examine and reconcile the maze of conflicting, overlapping, and obsolete legal and public policy issues in the merger. The commission would make legislative recommendations for the merger and for reorganizing Federal bank regulatory agencies to conform with the merged charter. This is an unusual approach—patterned on the successful military base-closing commissions. Additionally, the commission concept is combined with fast-track legislative machinery utilized for trade legislation.

My bill provides a comprehensive mechanism for considering many thorny issues one by one.

While the commission could hold public hearings, its main work would be walled off from incessant partisan bickering. All the commission's proceedings, information, and deliberations would be open—upon request—to the banking committee members of House and Senate.

Here's how it would work. My bill would establish an independent commission of eight qualified persons representing a balance of interests. The commission members would be appointed by the President with the advice and consent of the Senate and after consultation with both majority and minority leaders of both House and Senate. A director and staff would be authorized to support the commission's work.

The commission would be empowered to hold public hearings, obtain official data, and